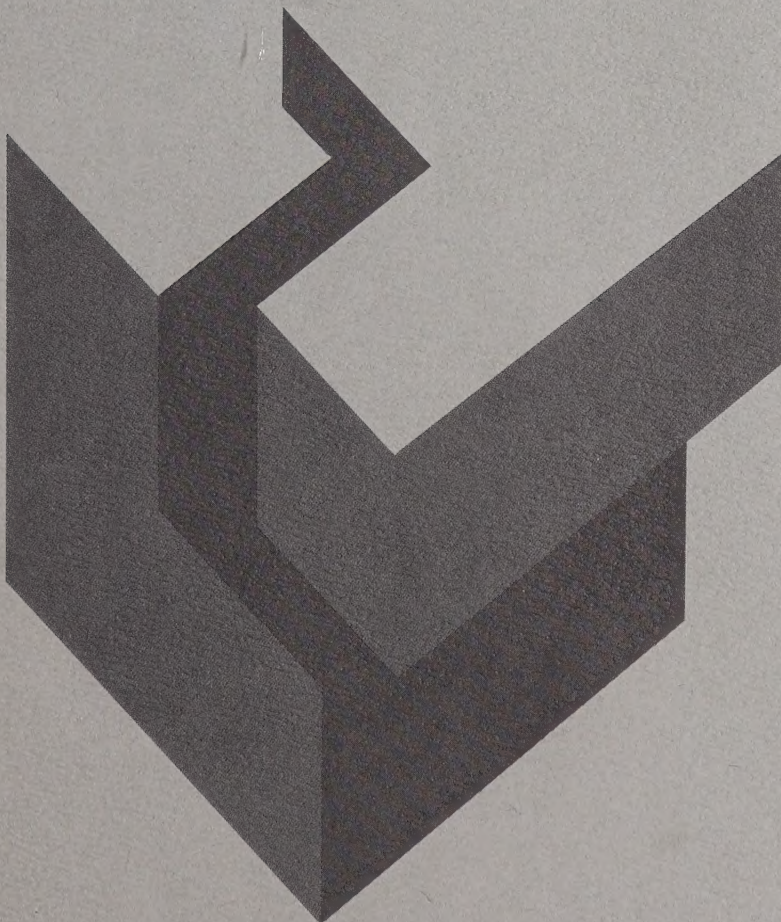


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# OVERLAND WESTERN

Annual  
Report  
1972





**Directors**

Frederick A. Beck, Q.C.



J. Campbell Carruth



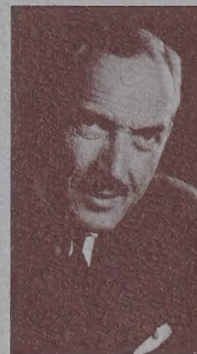
Proctor A. Dick



Robert D. Grant



George T. Heintzman



Frank D. Lace



Ian S. Waldie

**Directors**

Frederick A. Beck, Q.C., Senior Partner, White, Bristol, Beck

J. Campbell Carruth, President, Overland Western Limited

Proctor A. Dick, President, Erie Beverage Limited

Robert D. Grant, Chairman of the Board, Overland Western Limited

George T. Heintzman, President and Director,  
Matthews & Company Limited

Frank D. Lace, Chairman of the Board and Director,  
Matthews & Company Limited

Ian S. Waldie, Executive

**Officers**

Robert D. Grant, Chairman of the Board

J. Campbell Carruth, President

D. A. Dick, Vice-President and General Manager

A. Birthelmer, C.A., Secretary-Treasurer

Howard W. Rawlings, V.P. Sales and Traffic

John E. Taylor, V.P. Personnel

William T. Clayton, C.A., Comptroller

**Auditors**

Clarkson, Gordon & Co., London, Canada

**Solicitors**

White, Bristol, Beck, Toronto, Ontario

**Executive Offices**

5200 Maingate Drive, Mississauga, Ontario

**General Office**

Highways 59 and 401, Woodstock, Ontario

**Subsidiary Companies**

Overland Western International, Inc.

Overland Express, Inc.

Trojan Freight Lines Limited

Oxford Tire Limited

G.W.A. Inc.



## FINANCIAL HIGHLIGHTS

	1972	1971
Net Revenue	<b>\$22,744,586</b>	\$16,945,139
Operating Expenses	<b>19,869,450</b>	14,383,893
Depreciation	<b>1,767,808</b>	1,253,682
Interest Charges	<b>567,405</b>	434,310
Taxes on Income	<b>286,000</b>	475,700
Net Income	<b>318,757</b>	457,728
Earnings per share (assuming full conversion)	<b>\$ .200</b>	\$ .287
Cash Flow per share	<b>\$1.156</b>	\$1.175
Dividends per share on Common and Second Preference	<b>\$ .10</b>	\$ .15





The Company's forty-fourth year of continuous operations ended on October 28, 1972. The first forty-week period of the current fiscal year was one of merging the operation of Western Freight Lines Limited and the implementation of cost control programs. The elimination of duplicate facilities and equipment and the satisfactory resolution of the problems associated with the merger contributed to improved operating results in the final twelve weeks of the year.

## Operating results

Consolidated net income for the year amount to \$318,757, or 20¢ per share, assuming full conversion of the first preference shares. This compares with a net income for the previous year of \$457,728 equivalent to 28.7¢ per share.

Consolidated net revenue amounted to \$22,744,586, an increase of 34.2% over the previous year, which included

the revenue of Western Freight Lines Limited for the fourth quarter only. The revenue increase of 18.8% achieved in the fourth reporting period of the current year more properly reflects the true revenue growth of the company after giving effect to the acquisition of Western Freight Lines Limited.

The operating results for the first forty weeks of the 1972 fiscal year showed a reduction of \$319,368 in net income compared to the previous year. This decrease resulted from the costs associated with the acquisition of Western Freight Lines Limited, costs incurred by the delay in closing the agreement to sell certain assets (more fully discussed later in this report) and substantial increases in labour rates.

However, on August 16, 1972, the sale agreements were concluded at which time the related interest and property costs ceased. At the same time, cost control programs previously implemented started to produce the anticipated results and the fourth reporting period produced a net income of \$301,047, or 94% of the net income for the year.

## Financial position

The comparative consolidated balance sheet reflects, for the year ended October 30, 1971, assets under sale agreements of \$1,766,625, together with liabilities to be retired under these sale agreements of \$1,071,075. These several sale agreements which were entered into prior to October 30, 1971, were concluded on August 16, 1972. As a result, certain terminals, licences and equipment, surplus to the Company's requirements, were sold. The Company received all payments in full and liabilities to be paid or assumed under the applicable sale agreements have been retired. A final resolution in favour of the Company of all appeals of the decision of the Ontario Highway Transport Board on related licence transfers has been effected.

The conclusion of the aforementioned sale agreements, together with reduced capital expenditures, produced a net reduction in long term debt of \$1,140,556 and an improve-



ment in the Company's working capital position of \$400,109.

### Capital expenditures

Expenditures in 1972 for automotive equipment amounted to \$1,151,704, which was \$324,709 less than the previous year. These expenditures were tightly controlled while the fleet of Western Freight Lines Limited was being merged. The normal replacement program has been resumed in 1973 and net expenditures will approximate \$1,700,000.

### Subsidiaries

Trojan Freight Lines Limited, which specializes in truckload movements, commenced operations early in 1972. Freight volume increased steadily and by the end of the year the Company was operating at an acceptable profit level.

Overland Western International, Inc., which operates in the State of Michigan, enjoyed a significant increase in revenue and net income over the previous year and this trend is continuing in 1973.

Overland Express, Inc., which operates in the State of New York, has had a very limited operation and plans for dissolution are underway. Application has been made to transfer the assets to the parent Company.

Subsidiary companies collectively produced net income from operations of \$32,271 for the current year compared to \$40,588 for the previous year.

### Organization

It is with deep regret that we report the death of Mr. Stephen J. Suske in July, 1972. Mr. Suske had been with the Company for 35 years as a Director and Executive Vice-President. Mr. Lloyd S. Collacutt has resigned as a Director to permit him to devote more time to his other interests. The contributions of these men to the Board and the Company will be missed.

Subject to approval at the annual shareholders meeting, the number of Directors will be reduced from nine to seven.

### General outlook

Revenue for the first twelve weeks of the 1973 fiscal year is 16% higher than for the same period of the 1972

fiscal year. Our continued concentration on cost control programs together with the improved revenue position indicates a return to a reasonable profit level for 1973.

Labour contracts in the United States expire in 1973 and we are hopeful these will be renegotiated without any disruption in our international service.

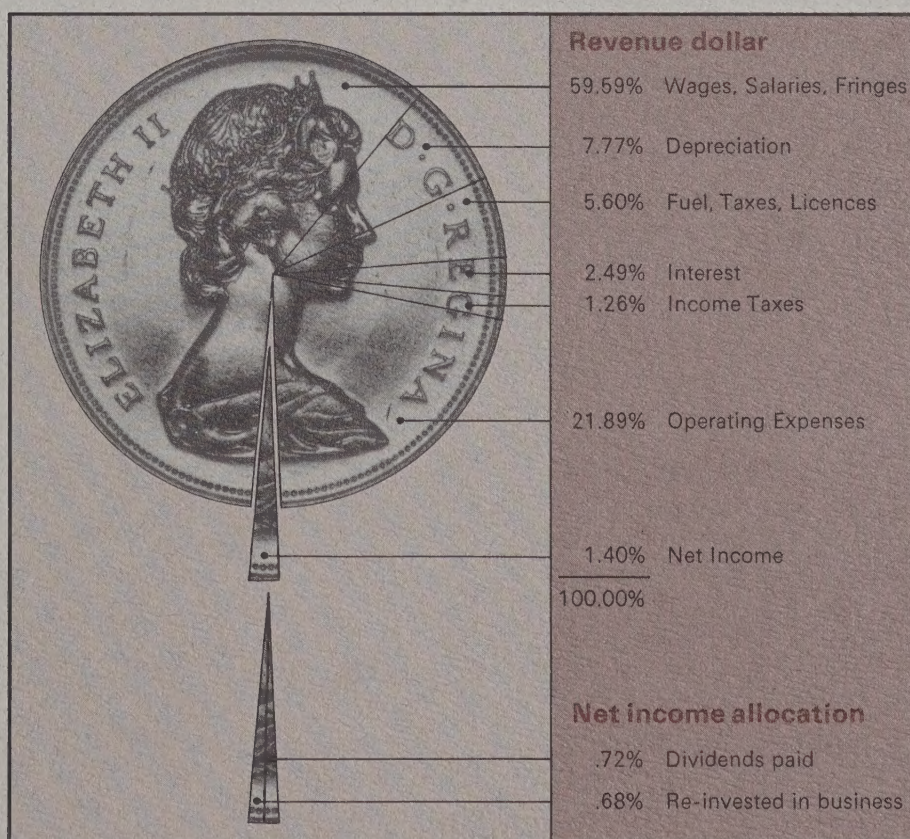
The significant turnaround in operating results in the latter part of the year could not have been achieved without the dedication and continued support of our employees, our customers and our Directors. To all of them, we express our sincere appreciation.

Respectfully submitted,

R. D. Grant,  
*Chairman*

J. C. Carruth,  
*President*

January 19, 1973





# OVERLAND WESTERN LIMITED

AND SUBSIDIARY COMPANIES (INCORPORATED UNDER THE LAWS OF ONTARIO)

ASSETS	1972	1971
<b>Current:</b>		
Cash . . . . .	\$ 68,315	\$ 83,130
Accounts receivable . . . . .	4,022,815	3,393,290
Inventory of parts and supplies – at cost . . . . .	161,737	137,231
Prepaid expenses . . . . .	285,851	374,529
Mortgages receivable due within one year . . . . .	2,800	
	<u>4,541,518</u>	<u>3,988,180</u>
<b>Assets under sale agreements:</b>		
Terminals . . . . .		974,125
Licences . . . . .		792,500
		<u>1,766,625</u>
8% and 9½% mortgages receivable due May, 1975 and November, 1976 – net of amount due within one year included in current assets . . . . .	<u>121,529</u>	
<b>Fixed – at cost (note 2):</b>		
Land and roadways . . . . .	1,364,193	1,525,380
Buildings . . . . .	4,408,498	4,474,674
Furniture and equipment . . . . .	1,308,620	1,311,577
Automotive equipment . . . . .	12,058,311	12,263,563
	<u>19,139,622</u>	<u>19,575,194</u>
Less accumulated depreciation . . . . .	9,641,556	9,088,850
	<u>9,498,066</u>	<u>10,486,344</u>
<b>Franchises – at nominal value . . . . .</b>	<u>1</u>	<u>1</u>
On behalf of the Board		
R. D. Grant, Director		
J. C. Carruth, Director		
	<u>\$14,161,114</u>	<u>\$16,241,150</u>



# CONSOLIDATED BALANCE SHEET

OCTOBER 28, 1972 (WITH COMPARATIVE AMOUNTS AT OCTOBER 30, 1971)

LIABILITIES	1972	1971
<b>Current:</b>		
Due to bankers against which accounts receivable have been pledged — on demand loan . . . . .	\$ 689,000	\$ 1,374,520
— on overdraft . . . . .	318,942	443,654
Accounts payable and accrued charges . . . . .	2,595,487	1,953,798
Taxes payable. . . . .	752,196	327,215
Long-term debt due within one year . . . . .	1,244,494	1,347,703
	<u>5,600,119</u>	<u>5,446,890</u>
<b>Liabilities to be retired under sale agreements:</b>		
Mortgages payable. . . . .		221,075
Income debenture payable . . . . .		850,000
		<u>1,071,075</u>
<b>Long-term debt (note 3):</b>		
Deferred bank loan. . . . .	1,931,116	2,655,339
Mortgages payable. . . . .	532,569	661,305
Lien equipment notes payable . . . . .	1,480,925	1,611,731
Note and debenture payable . . . . .	942,726	1,202,726
	<u>4,887,336</u>	<u>6,131,101</u>
Less principal amounts due within one year included in current liabilities . . . . .	1,244,494	1,347,703
	<u>3,642,842</u>	<u>4,783,398</u>
<b>Deferred income taxes.</b> . . . .	<u>1,207,600</u>	<u>1,384,100</u>
<b>Shareholders' equity:</b>		
Capital (note 4) —		
Authorized:		
20,634 60¢ cumulative, non-callable first preference shares without par value, convertible into three non-voting participating second preference shares without par value and one common share without par value		
1,639,098 non-voting participating second preference shares without par value		
546,366 common shares without par value		
Issued and fully paid:		
20,634 60¢ first preference shares (22,796 in 1971)		
1,135,098 second preference shares (1,128,612 in 1971)		
378,366 common shares (376,204 in 1971) . . . . .	268,000	268,000
Consolidated retained earnings . . . . .	3,442,553	3,287,687
	<u>3,710,553</u>	<u>3,555,687</u>
	<u>\$14,161,114</u>	<u>\$16,241,150</u>



# CONSOLIDATED STATEMENT OF INCOME

FIFTY-TWO WEEK PERIOD ENDED OCTOBER 28, 1972 (WITH COMPARATIVE AMOUNTS FOR 1971)

	1972	1971
Net revenue . . . . .	<b>\$22,744,586</b>	\$16,945,139
Operating expenses excluding depreciation, interest and net gain on disposal of fixed assets . . . . .	<b>19,869,450</b>	14,383,893
Operating income for period before deduction of other items . . . . .	<b>2,875,136</b>	2,561,246
Deduct:		
Depreciation . . . . .	<b>1,767,808</b>	1,253,682
Gain on disposal of fixed assets . . . . .	<b>(64,834)</b>	(60,174)
Interest — on long-term debt . . . . .	<b>504,344</b>	373,439
— other . . . . .	<b>63,061</b>	60,871
	<b>2,270,379</b>	1,627,818
Income before income taxes . . . . .	<b>604,757</b>	933,428
Taxes on income:		
Current . . . . .	<b>462,500</b>	251,200
Deferred . . . . .	<b>(176,500)</b>	224,500
	<b>286,000</b>	475,700
Consolidated net income for period . . . . .	<b>\$ 318,757</b>	\$ 457,728
Earnings per common and second preference shares* . . . . .	<b>\$ .200</b>	\$ .287

\*Assuming all 60¢ preference shares converted into common and second preference shares.

(See accompanying notes to the consolidated financial statements)

# CONSOLIDATED STATEMENT OF RETAINED EARNINGS

FIFTY-TWO WEEK PERIOD ENDED OCTOBER 28, 1972 (WITH COMPARATIVE AMOUNTS FOR 1971)

	1972	1971
Balance, beginning of period . . . . .	<b>\$3,287,687</b>	\$3,650,200
Add consolidated net income for period . . . . .	<b>318,757</b>	457,728
	<b>3,606,444</b>	4,107,928
Deduct dividends paid on:		
First preference shares . . . . .	<b>12,872</b>	18,407
Second preference shares . . . . .	<b>113,264</b>	166,871
Common shares . . . . .	<b>37,755</b>	55,624
	<b>163,891</b>	240,902
Write-off of cost of franchise acquired . . . . .	<b>—</b>	579,339
	<b>163,891</b>	820,241
Balance, end of period . . . . .	<b>\$3,442,553</b>	\$3,287,687

(See accompanying notes to the consolidated financial statements)



# CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FIFTY-TWO WEEK PERIOD ENDED OCTOBER 28, 1972 (WITH COMPARATIVE AMOUNTS FOR 1971)

	1972	1971
<b>Source of funds:</b>		
Operations —		
Consolidated net income for period . . . . .	\$ 318,757	\$ 457,728
Add (deduct) items not requiring an outlay (receipt) of cash:		
Depreciation . . . . .	1,767,808	1,253,682
Deferred income taxes . . . . .	(176,500)	224,500
Gain on disposal of fixed assets . . . . .	(64,834)	(60,174)
	<u>1,845,231</u>	<u>1,875,736</u>
Proceeds from assets under sale agreements . . . . .	1,766,625	
Proceeds from sale of fixed assets . . . . .	463,213	78,157
Debt incurred to acquire Western Freight Lines Limited —		
Income debentures payable . . . . .		1,812,726
Deferred bank loan . . . . .		548,280
Other long-term debt . . . . .	747,720	764,786
Reduction in mortgages receivable. . . . .	4,972	
	<u>4,827,761</u>	<u>5,079,685</u>
<b>Application of funds:</b>		
Payment of liabilities to be retired under sale agreements . . . . .	1,071,075	
Dividends paid to shareholders . . . . .	163,891	240,902
Purchase of shares of Western Freight Lines Limited . . . . .		2,361,006
Working capital deficit acquired on acquisition of Western Freight Lines Limited . . . . .		720,778
Purchase of fixed assets — automotive equipment . . . . .	1,151,704	1,476,413
— other. . . . .	26,206	238,494
Reduction of deferred debt. . . . .	1,888,276	1,615,083
Mortgages receivable on sale of fixed assets . . . . .	126,500	
	<u>4,427,652</u>	<u>6,652,676</u>
Net increase (decrease) in working capital during period. . . . .	400,109	(1,572,991)
Working capital (deficit), beginning of period . . . . .	(1,458,710)	114,281
Working capital deficit, end of period . . . . .	<u>\$ 1,058,601</u>	<u>\$ 1,458,710</u>
<b>Represented by:</b>		
Current liabilities. . . . .	\$ 5,600,119	\$ 5,446,890
Current assets. . . . .	4,541,518	3,988,180
	<u>\$ 1,058,601</u>	<u>\$ 1,458,710</u>

(See accompanying notes to the consolidated financial statements)

## AUDITORS' REPORT

To the Shareholders, Overland Western Limited

We have examined the consolidated balance sheet of Overland Western Limited and subsidiary companies as at October 28, 1972 and the consolidated statements of income, retained earnings and source and application of funds for the fifty-two week period then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at October 28, 1972 and the results of their operations and the source and application of their funds for the fifty-two week period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

London, Canada  
November 25, 1972

CLARKSON, GORDON & CO.  
Chartered Accountants



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 28, 1972

## 1. Principles of consolidation

The consolidated financial statements include the accounts of Overland Western Limited and all its wholly-owned subsidiary companies. The operating results of a subsidiary company acquired in 1971 are included in the consolidated results of operations for that year only from the effective date of acquisition.

## 2. Depreciation

The company charges depreciation on a straight-line basis over the estimated useful life of each class of asset at the following rates:

Buildings	20 to 30 years
Highway tractors	5 years
City tractors	8 years
Trailers	8 years
Miscellaneous equipment	5 years

The cost, accumulated depreciation and net book value of each class of asset at October 28, 1972 are as follows:

	Cost	Accumulated depreciation	Net book value
Land and roadways	\$ 1,364,193	\$ 89,785	\$1,274,408
Buildings	4,408,498	1,151,530	3,256,968
Furniture and equipment	1,308,620	1,037,968	270,652
Automotive equipment	12,058,311	7,362,273	4,696,038
	\$19,139,622	\$9,641,556	\$9,498,066

## 3. Long-term debt

Particulars of deferred bank loan, mortgages, notes and debenture payable are as follows:

	October 28, 1972	October 30, 1971
8% deferred bank loan repayable monthly over a negotiated fourteen year period – collateral mortgages on the Mississauga and Windsor terminals have been pledged as security (note)	\$ 1,931,116	\$ 2,655,339
6 – 10½% mortgages repayable at varying intervals due 1973 to 1985 – secured by certain terminals	532,569	661,305
Lien notes on automotive equipment repayable monthly due 1973 to 1977	1,480,925	1,611,731

7% debenture repayable \$100,000 semi-annually due June 1, 1976 – secured by floating charge debenture on all assets of the company

9% unsecured note repayable \$60,000 annually due July 26, 1975

	762,726	962,726
	180,000	240,000
	4,887,336	6,131,101
Principal payments due within one year	1,244,494	1,347,703
	\$ 3,642,842	\$ 4,783,398

Note: It should be noted that the bank holds demand notes which are supported by the collateral mortgages on the Mississauga and Windsor terminals for this bank indebtedness. The present negotiated repayment terms are equal monthly payments over a fourteen year period. The bank has provided the company assurance that this negotiated repayment schedule will remain in effect throughout the 1973 fiscal year and accordingly, only twelve months scheduled repayments are included in principal payments due within one year.

Payments required on long-term debt in future years are as follows:

1973	\$ 1,244,494
1974	878,127
1975	677,011
1976	470,678
1977	233,913
Subsequent years	1,383,113
	\$ 4,887,336

## 4. Capital stock

During the period ended October 28, 1972, 2,162 convertible preference shares were converted to 2,162 common shares and 6,486 second preference shares under the conversion privileges attached.

As at October 28, 1972, there were options outstanding to an officer of the company for 4,000 common shares at \$8 per share and 12,000 second preference shares at \$4 per share. This option is exercisable from time to time over a four year period ending January 1, 1976.

## 5. Directors' and officers' remuneration

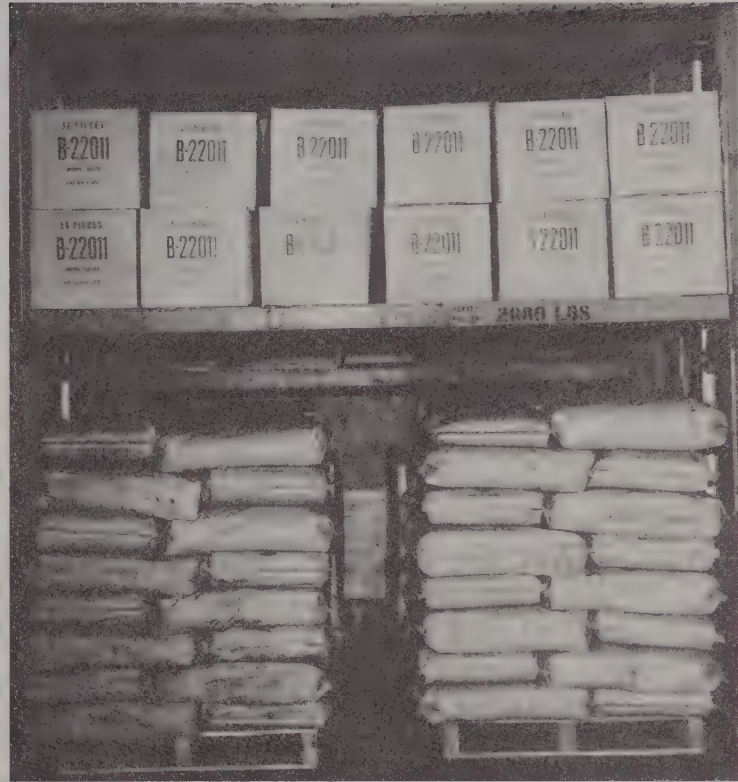
The total directors' remuneration as such for the 1972 fiscal year amounted to \$8,800 (1971 – \$7,600). The aggregate direct remuneration paid or payable to senior officers as defined in the Business Corporations Act, 1970 Ontario amounted to \$145,424 (1971 – \$134,641).



Below: Part of Overland Western's new City Diesel tractor fleet just prior to being put into service.

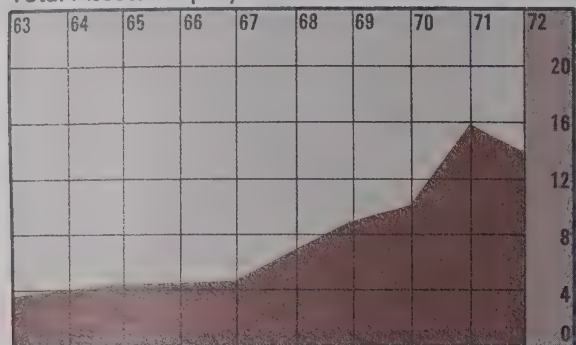
Right: One of Overland Western's 45 up-a-deck trailers loaded for an over-the-road dispatch. These trailers provide increased load factor and reduce claims.

Bottom: Special trailer equipment used for the movement of Overseas containers.

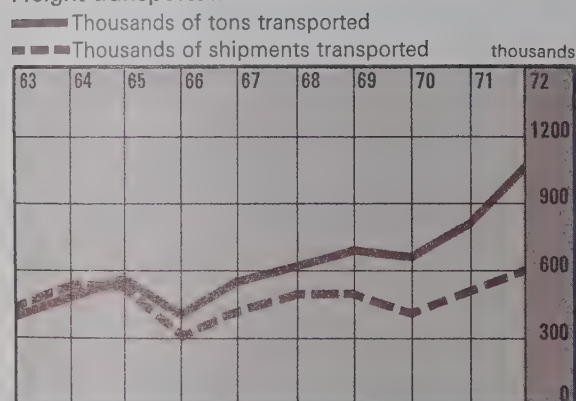




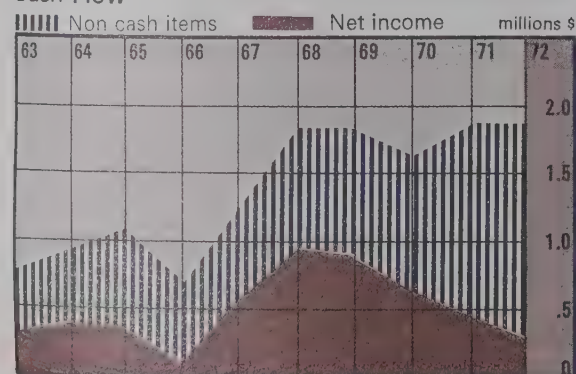
Total Assets employed



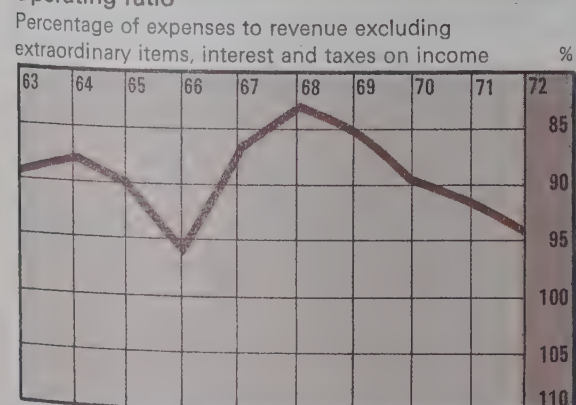
Freight transported



Cash Flow



Operating ratio




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 Net revenue
 

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 Consolidated net income after taxes
 

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 Amount
 

---

 Percent of net revenue
 

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 Common and Second Preference dividends per share
 

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 Earnings per Common and Second Preference Share  
 (assuming all first preference shares converted  
 into common and second preference shares)
 

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 Cash flow per share (assuming all first preference  
 shares converted into common and second  
 preference shares)
 

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 Book value per Common and Second Preference Share  
 (assuming all first preference shares converted  
 into common and second preference shares) Note 2
 

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 Salaries, wages and benefits
 

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 No. of full time employees at year-end
 

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 No. of First Preference shareholders at year-end
 

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 No. of Second Preference shareholders at year-end
 

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 No. of Common Shareholders at year-end
 

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 No. of tons transported
 

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 No. of shipments transported
 

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 Fuel taxes and licences
 

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---

 Equipment owned and operated
 

---

 Trucks and tractors
 

---

 Semi-trailers
 

---

 Miscellaneous
 

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1972 October 28 52 Weeks	1971 October 30 52 Weeks	1970 October 31 52 Weeks	1969 November 1 52 Weeks	1968 November 2 53 Weeks	1967 October 28 52 Weeks	1966 October 29 52 Weeks	1965 October 30 52 Weeks	1964 October 31 52 Weeks	1963 November 2 52 Weeks
<b>\$ 22,744,586</b>	\$ 16,945,139	\$ 14,403,657	\$ 14,515,144	\$ 12,787,119	\$ 9,858,400	\$ 6,502,501	\$ 8,183,521	\$ 7,181,518	\$ 6,456,062
<b>\$ 318,757</b> <b>1.4</b>	\$ 457,728 2.7	\$ 608,818 4.2	\$ 919,645 6.3	\$ 940,447 7.4	\$ 533,141 5.4	\$ 81,220 1.3	\$ 358,927 4.4	\$ 395,658 5.5	\$ 304,991 4.7
<b>\$ .10</b>	\$ .15	\$ .15	\$ .15	\$ .125	\$ .081	Nil	\$ .075	\$ .065	\$ .025
<b>\$ .200</b>	\$ .287	\$ .381	\$ .576	\$ .603	\$ .348	\$ .055	\$ .243	\$ .27	\$ .208
<b>\$ 1.16</b>	\$ 1.18	\$ 1.01	\$ 1.141	\$ 1.164	\$ .778	\$ .455	\$ .678	\$ .633	\$ .513
<b>\$ 2.32</b>	\$ 2.23	\$ 2.46	\$ 2.60	\$ 2.21	\$ 1.79	\$ 1.55	\$ 1.57	\$ 1.43	\$ 1.25
<b>\$ 13,554,503</b>	\$ 9,937,309	\$ 7,983,457	\$ 7,676,275	\$ 6,345,939	\$ 5,229,239	\$ 3,653,223	\$ 4,218,065	\$ 3,563,784	\$ 3,324,405
<b>1,162</b>	1,144	835	860	855	718	719	692	643	595
<b>410</b>	447	545	560	758	994	1,027	1,063	1,097	1,107
<b>956</b>	1,000	1,042	1,023	—	—	—	—	—	—
<b>298</b>	323	392	418	478	599	700	690	650	667
<b>1,084,950</b>	811,385	659,056	666,926	629,551	530,929	397,944	529,631	475,334	418,283
<b>582,669</b>	473,683	415,909	455,715	454,821	402,591	321,996	484,109	489,320	475,012
<b>\$ 1,273,321</b>	\$ 949,596	\$ 913,648	\$ 923,008	\$ 782,348	\$ 652,265	\$ 507,130	\$ 579,427	\$ 507,391	\$ 436,140
<b>472</b>	553	345	310	303	292	272	291	267	259
<b>901</b>	865	598	555	516	448	405	375	322	271
<b>114</b>	110	105	86	86	84	78	81	77	66

#### NOTES:

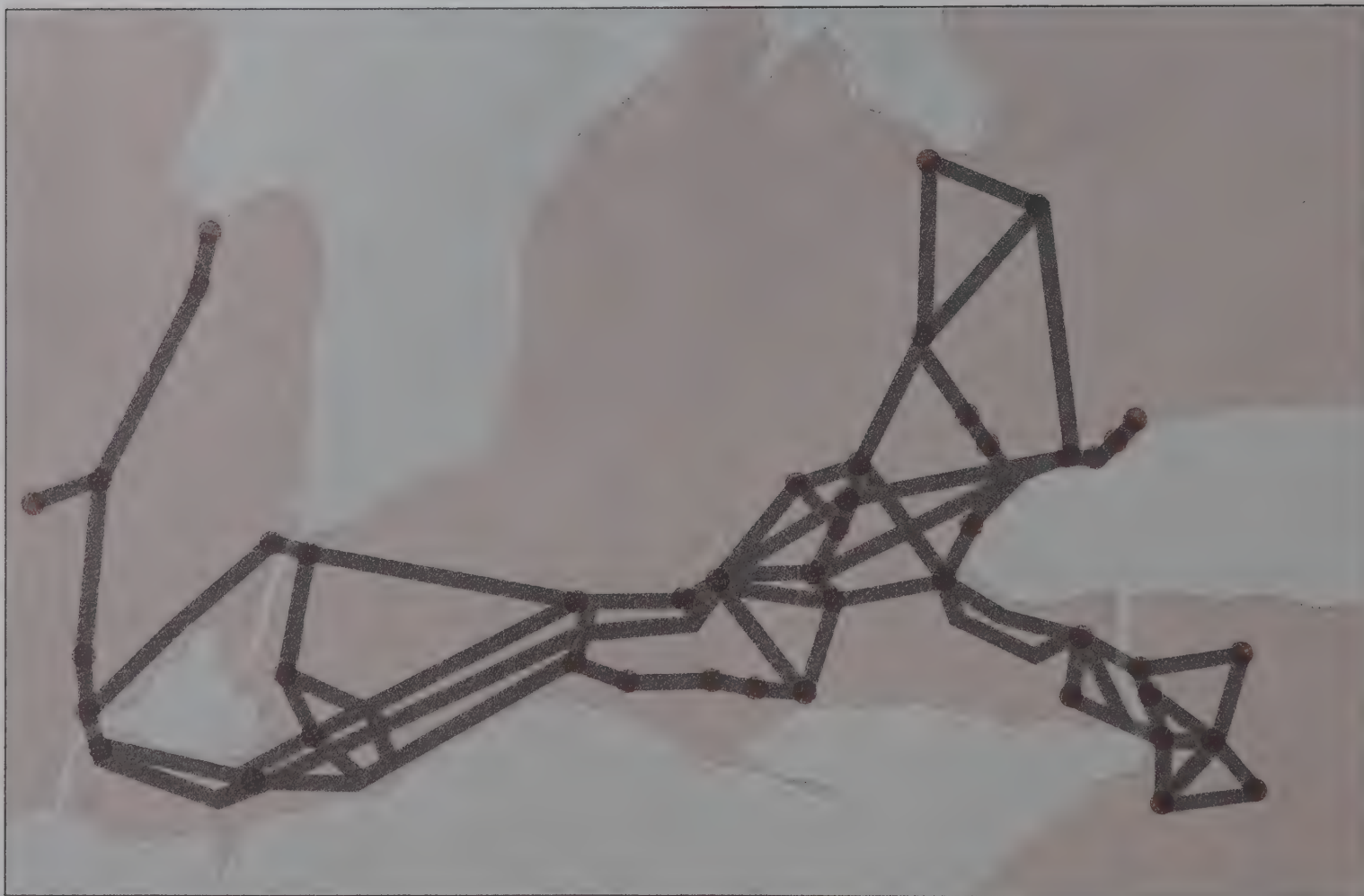
1. The 1966 statistics are affected by a fourteen week strike.
2. Book value per share reflects the write off of goodwill and franchises of acquired companies as follows: 1971, \$579,339; 1970, \$602,907; 1969, \$375,631; 1968, \$65,300.



Overland Western and its subsidiaries are engaged in the transportation of general commodities in Ontario and the States of New York and Michigan. Service beyond its licensed territory is offered via reliable connecting carriers to and from all points in Canada and the United States.

Terminal locations :

Barrie  
Brantford  
Buffalo, New York  
Chatham  
Detroit, Michigan  
Flint, Michigan  
Hamilton  
Kitchener-Waterloo  
Lansing, Michigan  
London  
Oshawa  
Saginaw, Michigan  
St. Catharines  
Sarnia  
Toronto  
Windsor  
Woodstock





# OVERLAND WESTERN LIMITED/INFORMATION CIRCULAR

## AR30

### Revocability of proxy

If the accompanying proxy is executed and returned, the shareholder, if he so desires, may revoke it by written revocation at any time prior to the voting thereof.

### Proxy solicitation by management

This information is furnished in connection with the solicitation by the management of Overland Western Limited of proxies to be used at the Annual Meeting of Shareholders of the Corporation to be held on April 28, 1972. The entire cost of soliciting these proxies will be borne by the Corporation.

### Voting shares and principal shareholders

The Corporation had outstanding as of March 10, 1972, 377,046 common shares. Each holder of a common share of the Corporation of record on the 28th day of April, 1972, being the date of the Annual Meeting, is entitled to one vote in person or by proxy at the said Annual Meeting for each such share held.

Under a Voting Trust Agreement which is in full force and effect, shareholders owning 204,439 common shares, being control, have granted the right to vote their shares to Voting Trustees, namely, Robert D. Grant, George T. Heintzman, Frank D. Lace and Ian S. Waldie.

Central Cartage Company, Detroit, Michigan, is the beneficial owner of 85,964 common shares.

Baelda Holdings Limited, Chatham, Ontario is the beneficial owner of 50,010 common shares of which 29,808 are included in the aforementioned voting trust.

### Election of Directors

It is intended at the Annual Meeting of Shareholders that votes will be cast at the meeting pursuant to the proxy which is hereby solicited for the election of Directors of the Corporation of the nine persons listed below to serve until the next Annual Meeting of Shareholders and until their respective successors shall be elected.

The following table sets forth the names of nine nominees for election to the Board of Directors, the principal occupation of each of such nominees, the principal business of the company or other organization in which such occupation is carried on, the period or periods during which such nominees have served as Directors of the Corporation and the approximate number of common shares of the Corporation beneficially owned directly or indirectly, by each of them at March 10, 1972.

Name	Present principal occupation	Director since year	Common shares
Frederick A. Beck, Q.C.	Senior Partner, Legal firm of White, Bristol, Beck	1960	100
J. Campbell Carruth	President, Overland Western Limited	1968	810
Lloyd S. Collacutt	Executive	1971	9,100
Proctor A. Dick	President, Erie Beverage Limited	1971	200
Robert D. Grant	Chairman of the Board, Overland Western Limited	1951	72,103
George T. Heintzman	Vice-President, Matthews & Company Limited, Investment Dealers	1969	17,710
Frank D. Lace	President, Matthews & Company Limited, Investment Dealers	1951	30,434
Stephen J. Suske	Executive Vice-President and Secretary, Overland Western Limited	1959	521
Ian S. Waldie	Executive	1951	33,701



### **Remuneration of management and others**

During the fiscal period ended October 30, 1971, the aggregate direct remuneration paid or payable by the Corporation and/or its subsidiaries to all Directors and senior officers as a group was \$139,066. The aggregate cost to the Corporation and/or its subsidiaries in the fiscal year ended October 30, 1971 for pension benefits for its Directors and senior officers as a group was \$3,175.

### **Appointment of Auditors**

It is intended that the persons named in the proxy will vote for the appointment of Clarkson, Gordon & Co., Chartered Accountants, to serve as Auditors of the Corporation until the next Annual Meeting of Shareholders. Clarkson, Gordon & Co. have been the Corporation's Auditors since 1961.

### **Voting of proxies**

A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him and on his behalf at the meeting other than the persons designated in the enclosed form of proxy. To exercise this right the shareholder may insert the name of the desired person in the blank space provided in the proxy and strike out the other names or may submit another appropriate proxy.

The shares represented by the proxy will be voted as specified in the form of proxy. Where no choice is specified, they will be voted for approving the Annual Report, the Financial Statements and the Report of the Auditors, for the election of the Directors and the appointment of Clarkson, Gordon & Co. as Auditors of the Corporation.

### **Other matters**

The Annual Report, the Financial Statements and the Report of the Auditors for the fiscal period of the Corporation ended October 30, 1971 will be submitted to the Meeting of Shareholders.

The Management of the Corporation knows of no matters other than those specified above to be brought before the Meeting. However, if any other matters properly come before the Meeting or any adjournment thereof, it is the intention of the persons named in the enclosed proxy to vote the same in accordance with their judgment on such matters, as authorized by the form of proxy.

By Order of the Board of Directors

R. D. Grant  
*Chairman*

Dated April 7, 1972.



## OVERLAND WESTERN LIMITED

### NOTICE OF ANNUAL MEETING OF SHAREHOLDERS FEBRUARY 28, 1973

Notice is hereby given that the Annual Meeting of the Shareholders of Overland Western Limited will be held in the New Brunswick Room of the Royal York Hotel, 100 Front Street West, Toronto, Ontario, on Wednesday, the 28th day of February, 1973, at the hour of 2:30 o'clock in the afternoon for the following purposes:

1. To receive and consider the Annual Report, the Financial Statements and the Report of the Auditors;
2. To consider and, if deemed advisable, confirm Special By-law No. 11 decreasing the Board of Directors from nine to seven, four of whom shall constitute a quorum;
3. To elect Directors;
4. To appoint Auditors and authorize the Directors to fix their remuneration;
5. To transact such further or other business as may properly come before the meeting or any adjournment thereof.

The Annual Report, Information Circular and Proxy are also enclosed with this Notice.

Dated at Woodstock the 9th day of January, 1973.

BY ORDER OF THE BOARD OF DIRECTORS,  
A. Birthelmer,  
Secretary.

**Note:**

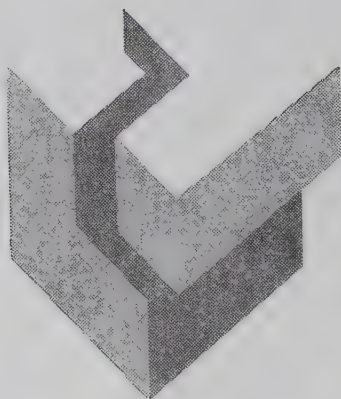
A form of proxy is attached for common shareholders only. If you are unable to be present personally at the meeting, you are requested to complete and sign the same.



# **OVERLAND WESTERN LIMITED**

**WOODSTOCK**

**ONTARIO**



## **NOTICE OF ANNUAL MEETING**



# OVERLAND WESTERN LIMITED/INFORMATION CIRCULAR

## Revocability of proxy

If the accompanying proxy is executed and returned, the shareholder, if he so desires, may revoke it by written revocation at any time prior to the voting thereof.

## Proxy solicitation by management

This information is furnished in connection with the solicitation by the management of Overland Western Limited of proxies to be used at the Annual Meeting of Shareholders of the Corporation to be held on Wednesday, February 28, 1973. The entire cost of soliciting these proxies will be borne by the Corporation.

## Voting shares and principal shareholders

The Corporation had outstanding as of January 9, 1973, 378,491 common shares. Each holder of a common share of the Corporation of record on the 28th day of February, 1973, being the date of the Annual Meeting, is entitled to one vote in person or by proxy at the said Annual Meeting for each such share held.

Under a Voting Trust Agreement which is in full force and effect, shareholders owning 204,439 common shares, being control, have granted the right to vote their shares to Voting Trustees, namely, Robert D. Grant, George T. Heintzman, Frank D. Lace and Ian S. Waldie.

Baelda Holdings Limited, Chatham, Ontario, is the beneficial owner of 135,010 common shares of which 29,808 are included in the aforementioned Voting Trust.

## Election of Directors

Providing Special By-law No. 11, decreasing the number of Directors to seven is confirmed it is intended at the Annual Meeting of Shareholders that votes will be cast at the meeting pursuant to the proxy which is hereby solicited for the election of Directors of the Corporation of the seven persons listed below to serve until the next Annual Meeting of Shareholders and until their respective successors shall be elected.

The following table sets forth the names of seven nominees for election to the Board of Directors, the principal occupation of each of such nominees, the principal business of the company or other organization in which such occupation is carried on, the period or periods during which such nominees have served as Directors of the Corporation and the approximate number of common shares of the Corporation beneficially owned directly or indirectly, by each of them at January 9, 1973.

Name	Present principal occupation	Director since year	Common shares
Frederick A. Beck, Q.C.	Senior Partner, Legal firm of White, Bristol, Beck	1960	100
J. Campbell Carruth	President, Overland Western Limited	1968	810
Proctor A. Dick	President, Erie Beverage Limited	1971	200
Robert D. Grant	Chairman of the Board, Overland Western Limited	1951	92,939
George T. Heintzman	President, Matthews & Company Limited, Investment Dealers	1969	17,710
Frank D. Lace	Chairman of the Board, Matthews & Company Limited, Investment Dealers	1951	30,834
Ian S. Waldie	Executive	1951	33,701



### **Remuneration of management and others**

During the fiscal period ended October 28, 1972, the aggregate direct remuneration paid or payable by the Corporation and/or its subsidiaries to all Directors and senior officers as a group was \$145,424. The aggregate cost to the Corporation and/or its subsidiaries in the fiscal year ended October 28, 1972, for pension benefits for its Directors and senior officers as a group was \$3,211.

### **Appointment of Auditors**

It is intended that the persons named in the proxy will vote for the appointment of Clarkson, Gordon & Co., Chartered Accountants, to serve as Auditors of the Corporation until the next Annual Meeting of Shareholders. Clarkson, Gordon & Co. have been the Corporation's Auditors since 1961.

### **Voting of proxies**

A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him and on his behalf at the meeting other than the persons designated in the enclosed form of proxy. To exercise this right the shareholder may insert the name of the desired person in the blank space provided in the proxy and strike out the other names or may submit another appropriate proxy.

The shares represented by the proxy will be voted as specified in the form of proxy. Where no choice is specified, they will be voted for approving the Annual Report, the Financial Statements and the Report of the Auditors, the confirmation of Special By-law No. 11, for the election of the Directors and the appointment of Clarkson, Gordon & Co. as Auditors of the Corporation.

### **Other matters**

The Annual Report, the Financial Statements and the Report of the Auditors for the fiscal period of the Corporation ended October 28, 1972 will be submitted to the Meeting of Shareholders.

The Management of the Corporation knows of no matters other than those specified above to be brought before the Meeting. However, if any other matters properly come before the Meeting or any adjournment thereof, it is the intention of the persons named in the enclosed proxy to vote the same in accordance with their judgment on such matters, as authorized by the form of proxy.

By Order of the Board of Directors

R. D. Grant  
*Chairman*

Dated February 1, 1973.



AR30



**OVERLAND WESTERN**

INTERIM  
REPORT  
TO  
SHAREHOLDERS

28 WEEKS  
ENDED  
MAY 13, 1972

OVERLAND WESTERN LIMITED  
AND SUBSIDIARY COMPANIES

OVERLAND WESTERN LIMITED

OVERLAND WESTERN INTERNATIONAL, INC.

OVERLAND WESTERN, INC.

WESTERN FREIGHT LINES LIMITED

TROJAN FREIGHT LINES LIMITED

OXFORD TIRE LIMITED

G. W. A. INC.

HEAD OFFICE

401 and 59 Highways

P.O. Box 460, Woodstock, Ontario



# REPORT TO THE SHAREHOLDERS

June 21st, 1972

Consolidated net freight revenue for the 28 weeks ended May 13th, 1972 increased \$3,517,000, 42.9% higher than the same period of the previous year. The acquisition of Western Freight Lines Limited accounts for the significant revenue increase.

Despite this improvement in revenue, net income for the first 28 weeks of the current year decreased \$202,000 because of the costs associated with the acquisition of Western, costs incurred by the delay in closing the agreement to sell certain assets (more fully discussed later in this report) and substantial increases in our labour rates without compensating increases in freight rates.

In our last quarterly statement, we reported that the decision of the Ontario Highway Transport Board approving of the transfer of certain of the operating authorities held by Western Freight Lines Limited together with terminals and equipment had been appealed. The Court of Appeal of Ontario has upheld the favourable decision of the Ontario Highway Transport Board. We are still awaiting a decision from the Cabinet of Ontario. Management is confident a favourable decision will be received and the sale agreements will be closed before the end of the Company's fiscal year.

The increase in working capital deficit of \$881,000 results primarily from the deficit of \$720,000 assumed in August 1971 on the purchase of Western Freight Lines Limited.

Much progress has been made in resolving problems associated with the acquisition of Western Freight Lines Limited. Relationships with our employees have improved significantly and management has implemented cost control and profitability programs which will improve our profit position towards the end of the year.

The third reporting period, normally our lowest profit and revenue period, because of the summer months, will not likely produce a significant profit. However, with the normal increase in business activity in the fourth reporting period and the benefits to be derived from the cost programs implemented, profits should return to a reasonable level by the year end.

R. D. GRANT  
Chairman of the Board

J. C. CARRUTH  
President

## CONSOLIDATED STATEMENT OF EARNINGS

	FOR 12 WEEKS ENDED		FOR 28 WEEKS ENDED	
	May 13, 1972	May 15, 1971	May 13, 1972	May 15, 1971
Net Freight Revenue (total sales) .....	\$5,291,266	\$3,810,442	\$11,708,443	\$8,190,885 ✓
Operating Expenses:				
Excluding Depreciation and Interest .....	4,714,695	3,176,896	10,430,702	7,044,928
Operating Profit before Depreciation and Interest .....	576,571	633,546	1,277,741	1,145,957
Deduct:				
Depreciation .....	397,469	204,933	923,378	508,470
Interest .....	139,796	86,779	332,494	190,876
	537,265	291,712	1,255,872	699,346
Income before Income Taxes .....	39,306	341,834	21,869	446,611
Taxes on Income .....	20,975	180,400	11,600	233,800
Consolidated Net Income for Period .....	\$ 18,331	\$ 161,434	\$ 10,269	\$ 212,811 ✓
Earnings per Common and 2nd Preference Share assuming all 1st Preference Shares Converted into Common and 2nd Preference Shares .....	\$ .011	\$ .101	\$ .006	\$ .133 ✓

## CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	FOR 28 WEEKS ENDED	
	May 13, 1972	May 15, 1971
Source of Funds:		
Operations —		
Consolidated Net Income for Period .....	\$ 10,269	\$ 212,811
Add items not requiring an outlay of cash:		
Depreciation .....	923,378	508,470
Deferred Income Taxes .....	(72,000)	58,600
Proceeds from Sale of Fixed Assets .....	121,848	57,191
Proceeds from Sale of Licences .....	242,500	—
Deferred Bank Loans, Mortgages and Notes .....	—	195,636
	1,225,995	1,032,708
Application of Funds:		
Dividends Paid to Shareholders .....	81,990	83,578
Investment in Automotive Equipment .....	135,688	1,341,633
Investment in Other Fixed Assets .....	10,757	82,020
Investment in Mortgages .....	44,435	—
Reduction of Deferred Debt .....	877,124	141,341
	1,149,994	1,648,572
Net Increase or (Decrease) in Working Capital During Period .....	76,001	(615,864)
Working Capital, Beginning of Period .....	(1,458,710)	114,281
Working Capital, (Deficit) End of Period .....	(\$1,382,709)	\$ (501,583)
Represented by:		
Current Assets .....	\$4,366,045	\$3,063,758
Current Liabilities .....	5,748,754	3,565,341
	(\$1,382,709)	\$ (501,583)